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E.O. 12958: DECL: 07/05/2019
TAGS: [MARR](#) [MASS](#) [MCAP](#) [PREL](#) [PGOV](#) [KS](#) [KN](#) [JA](#) [CH](#) [TW](#)
SUBJECT: LEE ADMINISTRATION CHANGES TO DEFENSE REFORM 2020

Classified By: A/DCM JOSEPH YUN. REASONS: 1.4 (b),(d).

SUMMARY

1. (C) On June 26, the ROK Government announced significant revisions to the "National Defense Reform 2020" plan. In short, the plan will increase the ROK's counterstrike/counterfire capability in the face of the growing North Korean missile threat, while reducing the numbers of ROK troops by 138,000, yet better equipping the remaining 517,000. The revised DR 2020 calls for building a "ROK-led operating system under a new combined defense system based on the ROK-U.S. strategic alliance." It reduces the overall defense budget the ROKG estimates will be needed to fulfill the plan to USD 466 billion, but focuses new money on the development of much needed C4I and ISR capabilities. Reflective of the ROK's desire to play a larger role in addressing security concerns elsewhere in the world, the plan calls for the development of a permanently-trained and ready peacekeeping force of 3,000 personnel. Finally, with a nod to future warfare scenarios, the plan calls for refurbishing ROK defense facilities to protect against electromagnetic pulses and the creation of a new "Cyber Warfare Command." ROKG officials cite the economy as the reason for reductions in the plan, but since the overall ROK national budget has increased at a faster rate than defense spending, we conclude it is a matter of competing domestic political programs over economics. END SUMMARY.

REVISED NATIONAL DEFENSE REFORM 2020

12. (C) On June 26, 2009, General (ret.) Lee Sang-hee, ROK Minister of National Defense, and ROK JCS Chairman General Kim Tae-young unveiled significant revisions to the country's long-term defense reform plan. The "National Defense Reform 2020" plan (DR 2020) was first introduced in 2005 by the previous Roh Moo-hyun Administration. It was designed to streamline and modernize all branches of the ROK Military. It was, however, conceived before North Korea stepped up its missile launches in July 2006 and before it conducted its first nuclear explosion in October of that year. When Lee Myung-bak succeeded Roh as ROK President in February 2008, he entered office with the stated intention of conducting a full review of DR 2020 and promised to make appropriate adjustments to that plan after careful study of the overall defense and security environment. The conclusions of that process, embodied in a revised National Defense Reform 2020 plan approved by President Lee, are as follows:

NEW MISSION

13. (C) The overall mission in the original 2005 DR 2020 plan was to build what was described by the Roh Government as a "Cooperative Self-Reliant National Defense." The 2009 revised DR 2020 has recast that mission. It calls for building a "ROK-led operating system under a new combined defense system based on the ROK-U.S. strategic alliance." The revised mission has therefore been influenced by the scheduled 2012 transfer of wartime OPCON to the ROK military, the June 16 U.S.-ROK Joint Vision Statement calling for a more strategic partnership, and President Lee's firm rededication to South Korea's bilateral alliance with the United States.

REDUCED BUDGET

14. (C) The new DR 2020 reduces the overall defense budget the ROKG estimates will be needed to fulfill the plan from Korean Won (KW) 621 trillion to KW 599 trillion, which equals approximately USD 466 billion. The original DR 2020 plan envisioned extremely large (9-11 percent) annual increases in defense spending that never materialized. The last actual ROK annual defense budget, approved by the National Assembly in December 2008, was USD 23.78 billion, which was only a 7.1 percent increase over the previous year's defense budget, and well below the actual 8.8 percent annual increases over the two previous years. These figures show that ROK defense spending is holding steady at 2.75 percent of GDP. Many security experts are seeking more funding, arguing that at least 3 percent of GDP annually be dedicated to defense to assure full implementation of DR 2020.

REDUCED TROOPS

15. (C) Under the revised DR 2020, the number of ROK troops will be reduced from the current level of 655,000 to 517,000. This will decrease the number of Army corps from 10 to 7 and the number of Army divisions from 47 to 28, with cost savings to be applied toward modernizing the remaining forces in a bid for quality over quantity. While this marks a significant reduction in the overall number of South Korean forces, it should be noted that more troops are being retained under the LMB plan than was envisioned by the previous government. The number of reservists will also remain higher, numbering 1.85 million.

FORCE IMPROVEMENTS

16. (C) Repositioning of funds will allow MND to increase by 12.2 percent that portion of the budget devoted to Force Improvement Programs (FIP). The revised DR 2020 plan cut

over Korean Won 17 trillion from the original FIP plan, but force improvement programs still represent the most robust part of the ROK Military's modernization effort. The new DR 2020 contains two key elements that respond directly to the North Korean nuclear and missiles threat.

-- The ROK Military will seek to acquire high-tech military assets capable of monitoring the DPRK, most likely by acquiring the U.S.-made Global Hawk High Altitude Unaccompanied Vehicle (UAV).

-- The ROK Military will expand its strike and counterstrike capabilities to deter a DPRK first strike by targeting North Korea's known or suspected nuclear weapons facilities and missile bases. This will include the purchase of as many as 1000 K-9 Multiple Launch Rocket Systems (MLRS), and the procurement of Patriot (PAC-3) interceptor missile systems and SM-3 and SM-6 missiles.

ENHANCED READINESS FOR PKO MISSIONS

¶7. (C) Reflecting the ROK's desire to play a larger role in addressing security concerns elsewhere in the world, the Lee Administration has including in its defense reform plan the development of a permanently-trained and ready peacekeeping force of 3,000 personnel that could be sent to assist in multinational missions elsewhere in the world. While the enabling legislation remains to be passed by the National Assembly, the plan is to establish a 1,000 strong standing unit, a 1,000 strong reserve unit, and 1,000 specialized troops (medics, transport, rescue, etc.) to support them.

CYBER WARFARE

¶8. (C) With a nod to future warfare scenarios, the ROK Military also plans to refurbish its defense facilities to protect against electromagnetic pulses that could be emitted by a controlled nuclear explosion in the atmosphere. Like the United States, the ROK also plans to create a new "Cyber Warfare Command."

MODERN WARFARE

¶9. (C) National Defense Reform 2020 is deliberately modeled after other successful military modernization programs around the world, and those in the United States and France in particular. As Defense Minister Lee put it in his forward to the 2008 Defense White Paper, the ROK seeks to develop an "Elite and Advanced Military." The overall goal being to transform from a manpower-intensive force focused on the North Korean conventional threat to a more joint, networked, high-tech force with the ability to counter North Korea's asymmetrical threats, while building stronger regional power capabilities overall. Under this plan the undisputed dominance of the ROK Army over the other services will be somewhat diminished in favor of further development of the ROK Navy's blue water capabilities, and a beefed up ROK Air Force. Finally, the plan is meant to address the need for much needed improvements in the ROK's Command, Control, Communications, Computer and Intelligence (C4I) infrastructure and to develop South Korea's own Intelligence, Surveillance and Reconnaissance (ISR) capability.

¶10. (C) Quoting from the revised DR 2020 plan, the South Korean Military "should reinforce its capacity to perform surveillance and reconnaissance, conduct precision-guided strikes and make interceptions (of missiles)." This reinforcement is aimed at "stemming and eliminating to a maximum degree the asymmetrical threats (nuclear and missile programs) posed by the DPRK." In announcing the new plan, MND made it clear it has neither the means nor the intention of developing a preemptive strike capability, but rather

seeks to become better equipped to stop a barrage of DPRK missiles if the North Korean military were ever to once again launch an unprovoked attack on the South.

COMMENT

¶11. (C) Our own defense experts will likely applaud President Lee's decision to strengthen the ROK's counterstrike, C4I and ISR capabilities, and the ROK decision to go forward with the acquisition of Global Hawk will be particularly well-received. Overall, however, there will be some disappointment with the modest budget and 138,000 troop reduction. With a conservative government in power, North Korea rattling its sabers more loudly than ever, the transfer of wartime operational control looming just over the horizon, and the long lead time necessary to field modern military programs, many had hoped the ROKG would be planning to do much more to further build up its own defense capabilities at this time. ROKG interlocutors frequently cite global economic conditions as an obstacle to increased domestic spending on defense, but we note that the ROKG's overall government budget increased by 11.5 percent in 2009, up from a 10.8 percent increase in 2008, and significantly more than the 7.4 percent increase the year before that. In comparison, defense spending was up an average of 8.2 percent for those three years. Hence the conclusion by security experts that full implementation of DR 2020 was stymied more by competing domestic political programs than by economics.

STEPHENS